GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:576
ANSWERED ON:21.11.2007
SPECIAL PURPOSE VEHICLE
Siddeswara Shri Gowdar Mallikarjunappa

Will the Minister of PLANNING be pleased to state:

(a) whether the Government has proposed to float a new Special Purpose Vehicle (SPV) for funding infrastructure projects;

(b) if so, the details thereof;

(c) whether any infrastructure projects have been identified for funding by the proposed SPV; and

(d) if so, the details thereof alongwith the financial allocation for each project and the targeted date for their completion, State-wise

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M. V. RAJASEKHARAN)

(a) to (d): Department of Economic Affairs, vide their Office Memorandum No. 9/49/07- Infra dated 16.11.2007 have informed that " A committee chaired by Shri Deepak Parekh has made a number of recommendations for financing Infrastructure. One of the recommendations is to use a small part of the foreign exchange reserves without the risk of monetary expansion. The Committee has suggested the establishment of a wholly-owned overseas subsidiary of India Infrastructure Finance Company Limited (IIFCL) to borrow funds from the RBI and lend to Indian companies implementing Infrastructure projects in India, or to co-finance their External Commercial Borrowings (ECBs) for such projects, solely for capital expenditure outside India. Government is examining the legal and regulatory aspects of setting up the overseas subsidiary or SPV but the final decision has not yet been taken. Therefore the question of projects being identified for funding does not arise."